



JOEL KLEEFISCH

STATE REPRESENTATIVE



Testimony on AB 480

Taste samples of intoxicating liquor provided on certain retail premises

Representative Joel Kleefisch

Good Morning. Thank you Chairman Van Roy and fellow committee members for the opportunity to testify before you today on Assembly Bill 480.

The intent of this legislation is to authorize a "Class A" licensed retailer to provide taste samples of distilled spirits on their "Class A" licensed premises. These samples would only be allowed between the hours of 11:00am and 7:00pm every day that the retailer's business is in operation and may not exceed three servings of no more than a 0.5 fluid ounce per person per day.

I introduced this legislation because I believe it is a common sense proposal that will create an equal playing field among retailers of intoxicating liquor, wine, and fermented malt beverages such as beer in Wisconsin. Current law already allows the taste sampling of wine and beer. I see no reason why we should not add distilled spirits, particularly when similar business interests are at stake just as they are with the taste sampling allowed for the beer and wine industries. Generally, a customer who purchases a product containing intoxicating liquor will be more inclined to do so when they already know it appeals to their taste preferences, which are generally identified after consuming a sample of the product.

Again, the intent of this measure is to simply even the playing field among the beer, wine and now the distilled spirit industries in Wisconsin when it comes to allowing customers the opportunity to sample any of these products before purchasing them. Thank you for the opportunity to testify today and I am happy to answer any questions you may have at this time.



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TESTIMONY

Of

Toby J. Spangler
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Madison, WI
On

AB 480 - Spirits Tastings

Assembly Committee on Homeland Security & State Affairs
February 8, 2012

Chairman Van Roy, Members of the Committee:

I am here today on behalf of Diageo, the world's leading supplier of premium spirits, beer and wine. You may recognize some of our brands; Smirnoff, Captain Morgan, Johnny Walker, Crown Royal and Bailey's Irish Cream. We also have a large portfolio of beer and wine products; Guinness, Harp and Red Stripe as well as wine labels BV and Sterling to name a few.

I want to thank Representative Kleefisch for his leadership on this issue as well as Chairman Van Roy and the members of the Assembly Committee on Homeland Security and State Affairs for the opportunity to provide our support for Assembly Bill 480. This legislation would allow adult consumers to taste three 0.5 ounces of a particular brand of distilled spirits to determine whether that product suits their palate before having to pay for a full-sized premium product.

However, before I proceed any further on the current legislation. I think it is important to step back in time for some history on the issue. Four years ago, similar legislation was amended into the 2007-2009 biannual budget and passed by the Assembly and Senate. Governor Doyle decided to veto the provision. There were misconceptions about how tastings would take place. Others felt the bill should have gone through the normal committee process.

I and others hope today's hearing will address both of those concerns. There seems to be a fair amount of misunderstanding about how spirits tasting are conducted. I have asked Liesl Nelson, Diageo Division Marketing Manager, Wisconsin to help clarify for the committee, how we conduct our tasting events in a very responsible manner.

I would also like to bring to your attention that since 2007, thirteen states have passed spirits tasting legislation or made changes to their existing laws. This

brings the total number of states to forty three that allow some form of tastings of distilled spirits. There are also pending bills in West Virginia, Kansas, New Mexico, Maine

I would now like to share with the committee some key points about responsible drinking and Diageo's commitment to Social Responsibility

- 2011 was a milestone year for progress in the reduction of drunk driving and underage drinking. Recent reports released this month by highly respected independent and government organizations demonstrate the serious progress that can be made when public and private stakeholders work together for a common cause, the type of work that Diageo supports across the country with a number of programs.
- In addition, the National Highway Traffic Safety Administration recently announced alcohol-impaired driving fatalities are at an historic low, despite the increase in miles driven. Since 1982 when recordkeeping began, the number of deaths has been cut by more than half and by nearly five percent in the last year alone.
- Over the last several years, Diageo's iconic brands including Johnnie Walker, Captain Morgan and Ciroc have partnered with the Department of Transportation (DOT) in a number of states including New York, Florida, Illinois and Nevada to ensure people get home safely, providing free debit cards and single ride Metro Cards for New Yorkers to use in taxis, trains and subways. The Safe Rides Home program enlists revelers, their friends and family members, as well as the city's transportation professionals: cab, livery and bus drivers and subway operators to make sure everyone gets home safely.
- Most recently Captain Morgan partnered with _____ to provide safe rides home in Indianapolis over Super Bowl weekend.
- In addition to the Safe Rides Program, Diageo supports the federal government's "We Don't Serve Teens Campaign" aimed at preventing adults from providing alcohol to underage persons.

- To address responsible drinking in retail establishments, bars and communities, Diageo supports the Responsible Retailing Forum and the Responsible Hospitality Institute. Both groups have been awarded government grants for their evidence-based approaches.

Diageo is a founding member of The Century Council and supports its award-winning programs to reduce drunk driving and underage drinking in states across the country.

I would now like my colleague Liesl Nelson to demonstrate how a spirits tasting would work in Wisconsin.

As you can see, competition is the name of the game. There is thousands of brands of distilled spirits in the market place, with many new brands being introduced each year. Innovation has led to strong growth in the spirits category as well as an explosion in the Craft Beer segment.

Consumers expect variety and companies are working hard to meet that demand. This trend is helping both on-premise and off-premise businesses as consumers move up to premium brands that increase their profit margins.

Tastings are a customary, longstanding, effective and responsible way to both introduce customers to new brands and to acquaint them with the wide variety of distilled spirits products that are available for purchase. This allows the large suppliers as well as the specialty producers an opportunity to compete in the market place. Assembly Bill 480 is a positive step forward in the highly competitive beverage alcohol marketplace.

This legislation also creates a leveling of the marketplace with respect to wine and malt beverage tastings, which are currently allowed under state statute.

Retail sales of beverage alcohol products, enhanced by effective marketing tools like tastings, contribute to jobs, tax revenues and the economy of Wisconsin as a whole. Tastings, conducted in a professional and responsible manner, are currently permitted in some form in 43 states.

We thank you for the opportunity to express our views on this issue and we urge your positive support of Assembly Bill 480. I would be happy to answer any questions from the Chairman or members of the committee.



TO: Members, Assembly Committee on Judiciary and Ethics
FROM: Maureen Busalacchi, Health First Wisconsin
RE: Assembly Bill 480
DATE: February 8, 2012

We feel that this bill moves Wisconsin in the completely wrong direction. Wisconsin ranks #1 in binge drinking and #1 in drinks per binge drinking episode, and the state consistently ranks near the top in drunk driving arrests and drunk driving fatalities. For a state with a serious alcohol abuse problem, this bill does nothing but add fuel to the fire.

This bill, much like AB 63 passed by this legislature at the end of last year allowing Class A licensees to sell alcohol for two additional hours, increases the access and availability of alcohol to individuals. Increasing alcohol access and availability are the two primary factors leading to risky and problem drinking, including binge and underage drinking.

With these serious drinking problems in mind, the state does not need to encourage alcohol consumption by allowing grocery stores, gas stations and other retailers with a "Class A" license to give away free samples of distilled spirits. Unfortunately, existing state law allows these retailers to provide free beer samples to individuals. This bill fails to take into account that distilled spirits have much higher alcohol content than beer.

In addition, nothing in this bill prevents people from going store to store, or from one gas station to another, to get free shots of distilled spirits. More often than not, individuals who would take free liquor samples would then get into their car and drive away from the store. The last thing Wisconsin needs is more alcohol-impaired drivers on our roads.

Wisconsin needs to take our alcohol culture and alcohol-related problems seriously. We need our legislators to start addressing these alcohol issues and help us find solutions. The simple fact is that AB 480 creates more alcohol-related problems for this state - not more solutions.

We ask this committee to oppose this legislation.